

**LIVINGSTON PARISH FIRE PROTECTION DISTRICT NO.1  
ALBANY, LOUISIANA**

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**ANNUAL FINANCIAL STATEMENTS**

**As of and for the Year Ended December 31, 2014**

**PHIL HEBERT  
CERTIFIED PUBLIC ACCOUNTANT  
A PROFESSIONAL ACCOUNTING CORPORATION**

**Livingston Parish Fire Protection District No. 1**  
**Albany, Louisiana**  
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**As of and for the Year Ended December 31, 2014**

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## Phil Hebert, CPA

A PROFESSIONAL ACCOUNTING CORPORATION

### Independent Auditor's Report

To the Board of Commissioners  
Livingston Parish Fire Protection District No. 1  
Albany, Louisiana

We have audited the accompanying financial statements of the governmental activities, and each major fund of Livingston Parish Fire Protection District No. 1, Albany, Louisiana, a component unit of the Livingston Parish Council, as of and for the fiscal year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

#### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

**Livingston Parish Fire Protection District No. 1**  
**Page 2.**

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and each major fund of the Livingston Parish Fire Protection District No. 1, as of December 31, 2014, and the respective changes in financial position for the year ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

*Required Supplemental Information*

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on page 22 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Livingston Parish Fire Protection District No. 1's basic financial statements. The Schedule of Compensation, Benefits and Other Payments to Agency Head are presented for purposes of additional analysis and are not a required part of the basic financial statements.

**Livingston Parish Fire Protection District No. 1**  
**Page 3.**

The Schedule of Compensation, Benefits and Other Payments to Agency Head are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Compensation, Benefits and Other Payments to Agency Head are fairly stated in all material respects in relation to the basic financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued my report dated June 4, 2015, on our consideration of the Livingston Parish Fire Protection District No. 1's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Livingston Parish Fire Protection District No. 1's internal control over financial reporting and compliance.

*Phil Hebert*

Phil Hebert, CPA  
A Professional Accounting Corporation

June 4, 2015

## Financial Statements

**Livingston Parish Fire Protection District No. 1**  
**Albany, Louisiana**

Statement A

Statement of Net Position  
December 31, 2014

	<u>Governmental Activities</u>
<b>Assets</b>	
Cash and Cash Equivalents	\$ 339,550
Investments	70,680
Ad Valorem Taxes Receivable, Net of Uncollectible Allowances	155,826
State Revenue Sharing Receivable	24,043
Prepaid Insurance	5,798
Restricted Cash and Cash Equivalents	10,533
Construction in Progress	265,801
Land, Buildings, and Equipment, Net of Accumulated Depreciation	<u>404,653</u>
Total Assets	<u>1,276,884</u>
<b>Liabilities</b>	
Accounts Payable	2,576
Pension Payable	7,229
Retainage Payable	12,663
Long-Term Debt - Current	20,000
Long-Term Debt - Non Current	<u>205,000</u>
Total Liabilities	<u>247,468</u>
<b>Net Position</b>	
Net Investment in Capital Assets	445,454
Restricted	10,533
Unrestricted	573,429
Total Net Position	<u>\$ 1,029,416</u>

The accompanying notes are an integral part of this statement.

**Livingston Parish Fire Protection District No. 1**  
**Albany, Louisiana**

Statement B

Statement of Activities  
For the Year Ended December 31, 2014

	General Expenses	Program Revenues Charges for Services	Net (Expense) Revenue and Change in Net Position Governmental Activities
<b>Governmental Activities</b>			
Public Safety	\$ 178,567	\$ -	\$ (178,567)
Depreciation Expense	45,687	-	(45,687)
Total Governmental Activities	<u>\$ 224,254</u>	<u>\$ -</u>	<u>(224,254)</u>
<b>General Revenues</b>			
Ad Valorem Tax Revenue			183,009
State Revenue Sharing			23,602
Fire Insurance Premium Rebate			45,434
Interest Income			115
Total General Revenues			<u>252,160</u>
Change in Net Position			27,906
Net Position - Beginning of the Year			1,001,510
Net Position - End of the Year			<u>\$ 1,029,416</u>

The accompanying notes are an integral part of this statement.



**Livingston Parish Fire Protection District No. 1**  
**Albany, Louisiana**

Statement C

Governmental Fund – Balance Sheet  
December 31, 2014

	<u>General Fund</u>	Certificate of Indebtness, Series 2014 <u>Sinking Fund</u>	<u>Total</u>
<b>Assets</b>			
Cash and Cash Equivalents	\$ 339,550	\$ -	\$ 339,550
Investments	70,680	-	70,680
Ad Valorem Taxes Receivable, Net of Uncollectible Allowances	155,826	-	155,826
State Revenue Sharing Receivable	24,043	-	24,043
Restricted Cash and Cash Equivalents	-	10,533	10,533
Total Assets	<u>\$ 590,099</u>	<u>\$ 10,533</u>	<u>\$ 600,632</u>
<b>Liabilities and Fund Balance</b>			
Liabilities:			
Accounts Payable	\$ 2,576	\$ -	\$ 2,576
Pension Payable	7,229	-	7,229
Retainage Payable	12,663	-	12,663
Total Liabilities	<u>22,468</u>	<u>-</u>	<u>22,468</u>
Fund Balance:			
Restricted for Debt Service	-	10,533	10,533
Unassigned	567,631	-	567,631
Total Fund Balance	<u>567,631</u>	<u>10,533</u>	<u>578,164</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 590,099</u>	<u>\$ 10,533</u>	<u>\$ 600,632</u>

The accompanying notes are an integral part of this statement.

**Livingston Parish Fire Protection District No. 1**  
**Albany, Louisiana**

Statement D

Reconciliation of the Governmental Fund Balance Sheet to the  
Government-Wide Statement of Net Position  
For the Year Ended December 31, 2014

<b>Total Fund Balance, Governmental Funds (Statement C)</b>	<b>\$</b>	<b>578,164</b>
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:

Governmental Capital Assets, Net of Depreciation		670,454
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Prepaid Insurance		5,798
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Long-term liabilities are not due and payable in the current period, and therefore, are not reported in the governmental funds:

Current (Short-Term) Obligations:

Certificates of Indebtness		(20,000)
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Non-Current (Long-Term) Obligations:

Certificates of Indebtness		(205,000)
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<b>Net Position of Governmental Activities (Statement A)</b>	<b>\$</b>	<b><u>1,029,416</u></b>
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The accompanying notes are an integral part of this statement.

**Livingston Parish Fire Protection District No. 1**  
**Albany, Louisiana**

Statement E

Statement of Governmental Fund Revenues, Expenditures, and  
Change in Fund Balance  
For the Year Ended December 31, 2014

	General Fund	Certificates of Indebtedness Series 2014 Sinking Fund	Total
<b>Revenues</b>			
Ad Valorem Tax Revenue	\$ 183,009	\$ -	\$ 183,009
State Revenue Sharing	23,602	-	23,602
Fire Insurance Premium Rebate	45,434	-	45,434
Interest Income	115	-	115
<b>Total Revenues</b>	<u>252,160</u>	<u>-</u>	<u>252,160</u>
<b>Expenditures</b>			
Public Safety			
Administrative	22,371	-	22,371
Bad Debt Expense	1,078	-	1,078
Insurance	31,248	-	31,248
Payroll Taxes	4,778	-	4,778
Pension Expense	7,229	-	7,229
Professional Services	8,760	-	8,760
Repairs	12,842	-	12,842
Salaries	62,527	-	62,527
Storage Rental	1,001	-	1,001
Supplies	17,350	-	17,350
Telephone and Utilities	9,383	-	9,383
Capital Outlay	288,577	-	288,577
<b>Total Expenditures</b>	<u>467,144</u>	<u>-</u>	<u>467,144</u>
Excess (Deficiency) of Revenues over Expenditures	(214,984)	-	(214,984)
<b>Other Financing Sources (Uses):</b>			
Proceeds from Debt Issuance	225,000	-	225,000
Interfund Transfers	(10,533)	10,533	-
<b>Total Other Financing Sources (Uses)</b>	<u>214,467</u>	<u>10,533</u>	<u>225,000</u>
Excess of Revenues and Other Sources over Expenditures and Other Uses	(517)	10,533	10,016
<b>Fund Balance - Beginning of the Year</b>	568,148	-	568,148
<b>Fund Balance - End of the Year</b>	<u>\$ 567,631</u>	<u>\$ 10,533</u>	<u>\$ 578,164</u>

The accompanying notes are an integral part of this statement.

**Livingston Parish Fire Protection District No. 1**  
**Albany, Louisiana**

Statement F

Reconciliation of the Governmental Fund Statement of Revenues, Expenditures, and  
Changes in Fund Balance to the Government-Wide Statement of Activities  
For the Year Ended December 31, 2014

<b>Net Change in Fund Balance, Governmental Fund (Statement E)</b>	<b>\$</b>	<b>10,016</b>
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Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. These differences consist of:

Capital Outlay		288,577
Depreciation Expense		(45,687)

Government funds expense insurance payments when paid. In the statement of activities, only the portion applicable to the current year is expensed. The remaining is recorded in the statement of net position as prepaid insurance.

Prior Year Prepaid Insurance		5,798
Current Year Prepaid Insurance		(5,798)

The issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Issuance of Long-Term Debt		<u>(225,000)</u>
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<b>Change in Net Position of Governmental Activities (Statement B)</b>	<b>\$</b>	<b><u>27,906</u></b>
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The accompanying notes are an integral part of this statement.

**Livingston Parish Fire Protection District No. 1**  
**Albany, Louisiana**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2014**

**Introduction**

Livingston Parish Fire Protection District No. 1, ("the District"), was created by an ordinance of the Livingston Parish Council for the purpose of acquiring, maintaining, and operating buildings, machinery, water tanks, water hydrants, water lines, and any other things necessary to provide proper fire prevention and control of the property within the District. The District operates under the direction of a five-member board appointed by the Livingston Parish Council. The District also employs two part-time workers for bookkeeping and management services. On January 25, 1997, the Albany Volunteer Fire Department merged into Livingston Parish Fire Protection District No. 1. This merger was approved by the Livingston Parish Council and the Village of Albany.

The accounting and reporting policies of the District conform to generally accepted accounting principles as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Such accounting and reporting procedures also conform to the requirements of RS 24:513 and to the guidelines set forth in the *Louisiana Governmental Audit Guide*, and to the industry audit guide, *Audits of State and Local Governmental Units*.

**1. Summary of Significant Accounting Policies**

**A. Financial Reporting Entity**

All board members of the District are appointed by the Livingston Parish Council. As the governing authority of the Parish, for reporting purposes, the Livingston Parish Council is the financial reporting entity for Livingston Parish. The financial reporting entity consists of (a) primary government (parish council), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statement to be misleading or incomplete. Because the board members of the District are appointed by the Livingston Parish Council, the District was determined to be a component unit of the Livingston Parish Council.

The accompanying basic financial statements present information only on the fund maintained by the District and do not present information on the Livingston Parish Council, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

**B. Fund Accounting**

The District uses fund accounting to maintain its financial records and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain District functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

**Livingston Parish Fire Protection District No. 1**  
**Albany, Louisiana**  
**Notes to Financial Statements (Continued)**  
**For the Year Ended December 31, 2014**

*Governmental Funds*

Governmental funds account for all of the District's general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources that may be used to finance future period programs or operations of the District. The following is the District's governmental funds.

General Fund - the primary operating fund of the District, which accounts for all the operations of the District, except those required to be accounted for in other funds. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to District policy.

Certificate of Indebtedness, Series 2014 Sinking Fund – accounts for the accumulation and disbursement of funds required to service the District's outstanding certificates of indebtedness.

**C. Measurement Focus and Basis of Accounting and Financial Statement Presentation**

*Basic Financial Statements – Government-Wide Financial Statements*

The statement of net position and the statement of activities display information about the District as a whole. These statements include all the non-fiduciary activities of the District. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Interest earnings and other revenues not properly included among program revenues are reported instead as general revenues.

The District does not allocate indirect expenses.

**Livingston Parish Fire Protection District No. 1**  
**Albany, Louisiana**  
**Notes to Financial Statements (Continued)**  
**For the Year Ended December 31, 2014**

*Basic Financial Statements – Governmental Funds*

The amounts reflected in the General Fund and Certificates of Indebtedness, Series 2014 Sinking Fund are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of District's operations.

The amounts reflected in the General Fund and Certificates of Indebtedness, Series 2014 Sinking Fund use the modified accrual basis of accounting. Under this basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related liability is incurred, except for interest and principal payments on long-term debt, which are recognized when due, and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

Revenues – Revenues are generally recognized when they become measurable and available as net current assets. Ad valorem tax revenue, state revenue sharing revenue, and interest revenue are recorded when due. Substantially all other revenues are recorded when received.

Expenditures – Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Reconciliation – Explanation of differences between the governmental fund balance sheet and the government-wide statement of net position is presented in Statement D of the basic financial statements. Explanation of differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities is presented in Statement F of the basic financial statements

**D. Budgets and Budgetary Accounting**

Budgetary procedures applicable to the District are defined in state law, Louisiana Revised Statutes 39:1301-15. The budget is adopted on the modified accrual basis of accounting consistent with generally accepted accounting principles (GAAP). The major requirements of the Local Government Budget Act are summarized as follows:

1. The District adopts a budget each year for the general fund.
2. The District's secretary and Fire Chief prepare a proposed budget and submit it to the Board of Commissioners for consideration no later than fifteen days prior to the beginning of each fiscal

**Livingston Parish Fire Protection District No. 1**  
**Albany, Louisiana**  
**Notes to Financial Statements (Continued)**  
**For the Year Ended December 31, 2014**

year. At the same time, if total proposed expenditures are \$500,000 or more, a notice of public hearing on the proposed budget must be published in the official journal. The proposed expenditures were less than \$500,000; therefore, a public hearing was not required.

3. All action necessary to adopt and implement the budget must be completed prior to the beginning of the fiscal year. The budget was adopted on December 2, 2013.
4. Budgetary amendments involving the transfer of funds from one program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Commissioners. The budget was amended on December 4, 2014.
5. Formal budgetary integration is not employed; however, periodic budget comparisons are made as a part of interim reporting.

**E. Cash, Cash Equivalents, and Investments**

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Under State law, the District may deposit funds in demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. In addition, the District may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

Investments for the District are stated at cost.

**F. Inventory**

Inventories for supplies are immaterial and are recorded as expenditures when purchased.

**G. Prepaid Items**

The District recognizes expenditures for insurance and similar services extending over more than one accounting period when paid.

**H. Capital Assets**

Capital assets are capitalized at historical cost or estimated cost (the extent to which fixed asset costs have been estimated and the methods of estimation should be disclosed) if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation.



**Livingston Parish Fire Protection District No. 1**  
**Albany, Louisiana**  
**Notes to Financial Statements (Continued)**  
**For the Year Ended December 31, 2014**

Capital assets are recorded in the Statement of Net Position and Statement of Activities. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Land	N/A
Buildings	40
Equipment	5 - 20
Vehicles	5 - 15

**I. Pension Plans**

The District is not a member of any retirement system, but is a member of the social security system.

**J. Long-Term Obligations**

In the government-wide financial statements, debt principal payments of governmental activities are reported as decreases in the balance of the liability on the Statement of Net Position. In the fund financial statements, however, debt principal payments of governmental funds are recognized as expenditures when paid.

**K. Compensated Absences**

The District does not pay for vacation or sick leave, and, as a result, has no liability for compensated absences at December 31, 2014.

**L. Net Position**

In the government-wide statements, equity is classified and displayed in three components:

1. Net Investment in Capital Assets – consists of the historical cost of capital assets, including restricted capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
2. Restricted – consists of assets that have constraints that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
3. Unrestricted Net Position – all other net position reported in this category.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

**Livingston Parish Fire Protection District No. 1**  
**Albany, Louisiana**  
**Notes to Financial Statements (Continued)**  
**For the Year Ended December 31, 2014**

**M. Fund Balance**

In the governmental fund financial statements, fund balance is classified as follows:

1. *Nonspendable Fund Balances* – amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact.
2. *Restricted Fund Balance* - amounts that can be spent only for the specific purposes because of enabling legislation, or externally imposed conditions by grantors, creditors, or citizens. Surplus funds required to pay the annual debt service payments are considered restricted.
3. *Committed Fund Balance* - amounts that can be used only for the specific purposes determined by a formal action of the Board of Commissioners (the District's highest level of decision-making authority).
4. *Assigned Fund Balance* – amounts that are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed.
5. *Unassigned Fund Balance* – all amounts not included in other spendable classifications.

The District considers restricted fund balances to be spent for governmental expenditures first when both restricted and unrestricted resources are available.

As of December 31, 2014, the District did not have any nonspendable, committed, or assigned fund balances.

**N. Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make various estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

**2. Levied Taxes**

The following is a summary of authorized and levied ad valorem taxes:

General Fund	9.89 Mills
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Ad valorem taxes attach as an enforceable lien on property on January 1 each year. Taxes are levied by the District during the year, are billed to taxpayers, and become due in November. Billed taxes become delinquent on December 31 of each year. Revenues from ad valorem taxes are budgeted in the year billed and recognized as revenue when billed. The Livingston Parish Sheriff's Office bills and collects the property taxes using the assessed value determined by the Livingston Parish Tax Assessor. The

**Livingston Parish Fire Protection District No. 1**  
**Albany, Louisiana**  
**Notes to Financial Statements (Continued)**  
**For the Year Ended December 31, 2014**

taxes are generally collected in December of the current year and January and February of the ensuing year. For 2014, the District levied 9.89 mills for a total tax levy of \$183,009 on taxable property valuation totaling \$18,504,390.

**3. Cash and Cash Equivalents**

As reflected on Statement A, the District has cash and cash equivalents totaling \$350,083 (of which \$10,533 is restricted) and investments totaling \$70,680 at December 31, 2014. These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledged securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the bank. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

The following is a summary of cash and cash equivalents at December 31, 2014, with the related federal deposit insurance and pledged securities.

**Bank Balances and Investments:**

Insured (FDIC Insurance)	\$ 320,680
Collateralized:	
Collateral held by pledging bank's trust department in the District's name	105,517
Uninsured and Uncollateralized	-
<b>Total Deposits</b>	<b>\$ <u>426,197</u></b>

Even though the pledged securities are not held in the entity's name, RS 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten days of being notified by the District that the fiscal agent has failed to pay deposited funds upon demand. Deposits collateralized by pledged securities are considered to be exposed to credit risk (Category 3) under the provisions of GASB Statement 40. Custodial risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial risk.

**4. Receivables**

Receivables represent revenues earned in 2014 and received in 2015 as follows:

Ad Valorem Taxes	\$ 164,026
State Revenue Sharing	24,043
Less: Allowance for Uncollectible Taxes	(8,200)
<b>Accounts Receivable, Net</b>	<b>\$ <u>179,869</u></b>

**Livingston Parish Fire Protection District No. 1**  
**Albany, Louisiana**  
**Notes to Financial Statements (Continued)**  
**For the Year Ended December 31, 2014**

**5. Capital Assets**

Capital assets and depreciation activity as of and for the year ended December 31, 2014 are as follows:

	<u>Balance</u> <u>01/01/2014</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>12/31/14</u>
<b>Capital Assets Not Depreciated:</b>				
Construction in Progress	\$ -	\$ 265,801	\$ -	\$ 265,801
Land	17,000	-	-	17,000
<b>Total Capital Assets Not Depreciated:</b>	17,000	265,801	-	282,801
<b>Other Capital Assets:</b>				
Buildings	158,263	-	-	158,263
Equipment	335,507	22,775	-	358,282
Vehicles	551,056	-	-	551,056
<b>Total Other Capital Assets</b>	1,044,826	22,775	-	1,067,601
<b>Less: Accumulated Depreciation:</b>				
Buildings	38,799	3,801	-	42,600
Equipment	287,646	9,815	-	297,461
Vehicles	307,816	32,071	-	339,887
<b>Total Accumulated Depreciation</b>	634,261	45,687	-	679,948
<b>Other Capital Assets, Net</b>	410,565	(22,912)	-	387,653
<b>Totals:</b>	\$ 427,565	\$ 242,890	\$ -	\$ 670,454

**6. Changes in Long-Term Debt**

The following is a summary of debt transactions for the District for the year ended December 31, 2014:

<u>Type of Debt</u>	<u>Balance at</u> <u>01/01/2014</u>	<u>Debt</u> <u>Issued</u>	<u>Debt</u> <u>Retired</u>	<u>Balance at</u> <u>12/31/2014</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
Certificate of Indebtedness	\$ -	\$ 225,000	\$ -	\$ 225,000	\$ 20,000

**Livingston Parish Fire Protection District No. 1**  
**Albany, Louisiana**  
**Notes to Financial Statements (Continued)**  
**For the Year Ended December 31, 2014.**

Long-term debt at December 31, 2014 is comprised of the following:

*Certificate of indebtedness*

\$225,000 Certificates of Indebtedness dated July 31, 2014; Due in annual installments ranging from \$20,000 to \$25,000; With interest at 2.740%; Payable from a pledge and dedication of the excess annual revenues of the General Fund.

\$ 225,000

The annual requirements to amortize all debt outstanding at December 31, 2014, including interest payments of \$32,922 are as follows:

Year Ended December 31,	\$225,000
2015	\$ 25,275
2016	25,932
2017	25,576
2018	25,220
2019	25,891
2020 - 2024	130,028
	<u>257,922</u>
Less: Interest Portion	32,922
	<u>\$ 225,000</u>

**7. Leases**

At December 31, 2014, the District does not have any capital or operating leases.

**8. Litigation and Claims**

At December 31, 2014, the District does not have any litigation or claims against it.

**9. Compensation Paid Board Members**

Louisiana Revised Statute 40:1498 provides that each member of the District may receive compensation in the amount of thirty dollars per meeting, not to exceed two meetings in any one calendar month. Currently, the District does not pay compensation to board members.

**Livingston Parish Fire Protection District No. 1**  
**Albany, Louisiana**  
**Notes to Financial Statements (Continued)**  
**For the Year Ended December 31, 2014**

**10. Subsequent Events**

In February 2015, the District's new fire station was complete. The final payment was made in March 2015.

**Required Supplemental Information:**  
**Budgetary Comparison Schedule**

**Livingston Parish Fire Protection District No. 1**  
**Albany, Louisiana**

Schedule 1

Schedule of Revenues, Expenditures, and Changes in Fund Balance –  
 Budget and Actual  
 For the Year Ended December 31, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts GAAP Basis</u>	<u>Favorable (Unfavorable )</u>
<b>Revenues</b>				
Ad Valorem Tax Revenue	\$ 172,000	\$ 164,573	\$ 183,009	\$ 18,436
State Revenue Sharing	25,000	23,850	23,602	(248)
Fire Insurance Premium Rebate	-	45,434	45,434	-
Interest Income	150	40	115	75
Total Revenues	<u>197,150</u>	<u>233,897</u>	<u>252,160</u>	<u>18,263</u>
<b>Expenditures</b>				
Public Safety				
Administrative	29,125	27,400	22,371	5,029
Bad Debt Expense	-	-	1,078	(1,078)
Insurance	27,000	32,000	31,248	752
Payroll Taxes	8,000	6,000	4,778	1,222
Pension Expense	3,500	7,000	7,229	(229)
Professional Services	8,000	5,500	8,760	(3,260)
Repairs	20,000	20,000	12,842	7,158
Salaries	80,000	70,000	62,527	7,473
Storage Rental	-	-	1,001	(1,001)
Supplies	21,000	21,000	17,350	3,650
Telephone and Utilities	9,500	11,000	9,383	1,617
Capital Outlay	260,000	300,000	288,577	11,423
Debt Service	2,880	-	-	-
Total Expenditures	<u>469,005</u>	<u>499,900</u>	<u>467,144</u>	<u>32,756</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(271,855)</u>	<u>(266,003)</u>	<u>(214,984)</u>	<u>51,019</u>
<b>Other Financing Sources (Uses):</b>				
Proceeds from Debt Issuance	225,000	225,000	225,000	-
Interfund Transfers	-	-	(10,533)	(10,533)
Total Other Financing Sources (Uses)	225,000	225,000	214,467	(10,533)
Excess of Revenues and Other Sources over Expenditures and Other Uses	(46,855)	(41,003)	(517)	40,486
<b>Fund Balance:</b>				
Beginning of the Year	568,148	568,148	568,148	-
End of the Year	<u>\$ 521,293</u>	<u>\$ 527,145</u>	<u>\$ 567,631</u>	<u>\$ 40,486</u>

See Auditor's Report.



## **Other Supplemental Information**

**Livingston Parish Fire Protection District No. 1**  
**Albany, Louisiana**

Schedule 2

Schedule of Compensation, Benefits and Other Payments to Agency Head  
For the Year Ended December 31, 2014

**Agency Head: Joe Foster, Chief**

<b>Purpose</b>	<b>Amount</b>
Salary	\$ 12,000
Benefits - Insurance	-
Benefits - Retirement	-
Deferred Compensation	-
Benefits-Other-Supplemental Pay	-
Car Allowance	-
Vehicle Provided by Government	-
Vehicle Rental	-
Cell Phone	-
Dues	-
Per Diem	-
Reimbursements	-
Travel	-
Registration Fees	-
Conference Travel	-
Housing	-
Unvouchered Expenses	-
Special Meals	-
Other	\$ 12,000

## **Other Independent Auditor's Report**

CHARLES P. HEBERT, CPA

CHRISTOPHER S. JOHNSON, CPA, MBA

MEMBER

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**Phil Hebert, CPA**

A PROFESSIONAL ACCOUNTING CORPORATION

**Independent Auditor's Report on Internal Control over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards***

Board of Commissioners  
Livingston Parish Fire Protection District No. 1  
Albany, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Livingston Parish Fire Protection District No. 1, Albany, Louisiana, a component unit of the Livingston Parish Council, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise Livingston Parish Fire Protection District No. 1's basic financial statements and have issued our report thereon dated June 4, 2015.

**Internal Control over Financial Reporting**

In planning and performing our audit, we considered Livingston Parish Fire Protection District No. 1's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Livingston Parish Fire Protection District No. 1's internal control. Accordingly, we do not express an opinion on the effectiveness of the Livingston Parish Fire Protection District No. 1's internal control.

## **Livingston Parish Fire Protection District No. 1**

### **Page 2.**

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Livingston Parish Fire Protection District No. 1's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**Livingston Parish Fire Protection District No. 1**  
**Page 3.**

This report is intended solely for the information and use of management and the Office of the Legislative Auditor, State of Louisiana, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed to the Legislative Auditor as a public document.

*Phil Hebert*

Phil Hebert, CPA  
A Professional Accounting Corporation

June 4, 2015

**Livingston Parish Fire Protection District No. 1  
Albany, Louisiana**

**Schedule of Current Year Auditing Findings and Responses  
For the Year Ended December 31, 2014**

We have audited the basic financial statements of, Livingston Parish Fire Protection District No. 1 as of and for the year ended December 31, 2014, and have issued our report thereon dated June 4, 2015. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of December 31, 2014 resulted in an unmodified opinion.

**Section I Summary of Auditor's Report**

a. Report on Internal Control and Compliance Material to the Financial Statements

**Internal Control**

Material Weakness, No

Significant Deficiencies, No

**Compliance**

Compliance Material to Financial Statements, No

b. Federal Awards

Not Applicable

Was a management letter issued? No